

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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SIGNATURE BANK,

Plaintiff,

-against-

AHAVA FOOD CORP. d/b/a NORTH
COUNTRY CHEESE CORP., et al.,

Defendants.
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ORDER

08 Civ. 3893 (NRB) (MHD)

MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE JUDGE:

The Court having conducted a telephone conference today with counsel for the parties, it is hereby ordered as follows:

1. The inspections by the plaintiff Bank at the Lowville, Ogdensburg and Brooklyn properties is to be conducted on May 28 and 29, 2008. The purpose of the inspections is to determine whether there has been any impairment of the Bank's collateral and for discovery purposes. The inspections are to be conducted in a manner consistent with the request of the Bank reflected in the May 23, 2008 letter to the Court from David Feuerstein, Esq., except in one respect. Except with the consent of the defendants, the Bank will not be permitted to copy the hard drives of the computers found on the premises. Rather, defendants may print out for the Bank hard copies of all documents pertaining to accounts receivable, accounts

payable, checks and the equipment at the premises (with the latter category limited to the time period from June 2007 to the present). Defendants may alternatively choose, however, to let the Bank's representatives copy the hard drives, or all portions of the hard drives corresponding to the foregoing categories. If defendants choose the latter option, they are to so advise plaintiff's counsel by no later than noon May 27, 2008.

2. If the Bank intends, based on these inspections or otherwise, to contend on its pending motion that there has been an impairment of collateral, it is to so advise defendants' counsel by June 4, 2008 and is to produce at the same time any documents pertaining to such impairment at the same time. In that event, defendants may conduct a Rule 30(b)(6) deposition of the Bank on all matters pertaining to such impairment on June 5, 2008.

3. Defendants are to produce all documents responsive to previously served requests by the Bank by May 29, 2008. The Ahava-Food-Company defendants are to produce their documents at an agreed-upon location in Rockland County.

4. If the Ahava-of-California defendants object to production of any of the requested categories of documents, they are to advise the Bank's counsel by the close of business today as to which

categories and why. If the parties cannot reach agreement on any such document dispute, the Bank is to notify the court by the morning of May 27, 2008, and in that case we will conduct a telephone conference to resolve such disputes same day at 12:30 p.m. The documents that are produced by these defendants are to be made available in New York at locations specified by these defendants' counsel.

5. If defendants intend to seek production of documents from the Bank, they are to serve those requests by May 27, 2008 and the Bank is to respond and produce the requested documents by June 9, 2008.

6. We deny the oral request of the Ahava-of-California defendants for an order precluding the Bank from contacting those defendants' customers.

7. The Bank's deposition of the Ahava-of-California defendants through Fariborz Banayan is to be conducted in California at a location designated by the Bank on June 2, 2008 starting at 9:30 a.m.

8. The Bank's deposition of the Ahava-Food-Corporation defendants through Moise Banayan is to be conducted in Watertown,

New York or another location agreed upon by counsel for the Bank and for these defendants on June 6, 2008 beginning at 9:30 a.m.

9. The Ahava-of-California defendants are to provide to the Bank's counsel by no later than 10:00 a.m. on May 26, 2008 the addresses of defendants Ari Katz and Ruben Beityakov. If the Bank intends to seek their depositions, it is to serve on them appropriate subpoenas by no later than May 27, 2008 calling for their depositions on June 4, 2008.

10. The Bank is to make Mr. Robert Bloch available for a Rule 30(b)(6) deposition on June 12, 2008, and is to have available, in the event they are needed for a deposition on June 13, 2008, Messrs Michael Menlo and Thomas Kasulka.

11. The Bank's reply papers on their pending motion are to be served and filed by June 11, 2008.

12. The defendants' sur-reply papers are to be served and filed by June 16, 2008.

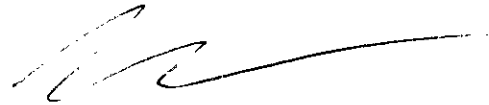
13. Counsel for the parties are to advise each other and the court by June 16, 2008 whether they wish an evidentiary hearing on the motion and, if so, they are to specify on what factual issues

they wish to offer evidence and which witnesses they intend to call.

14. The court will conduct a hearing on June 18, 2008 commencing at 10:00 a.m. to hear any testimony that any of the parties wishes to add to the record. If the parties request oral argument for that time, we will also hear it.

15. The foregoing discovery is in aid of our resolution of the Bank's pending motion and is without prejudice to the right of the parties to conduct additional discovery, pertinent to other issues in the case, that may be pursued in the wake of the Court's disposition of the Bank's motion.

Dated: New York, New York
May 23, 2008



MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE JUDGE

Copies of the foregoing Order have been mailed today to:

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